Job hunting? Look overseas

Best bet: Hong Kong market

An Advertising Age roundup

Where in the world are the good agency jobs?

Agency folks with wanderlust and a ready passport should head to Hong Kong, if they have a working knowledge of Cantonese, according to an ADVERTISING AGE survey of 12 countries. But don't bother with Australia—strict immigration laws and a tight job market make it difficult for Americans in that country.

Overall, the survey found that job opportunities do exist overseas for Americans who have a knowledge of foreign languages.

Here's the rundown:

• **Australia.** The job outlook for the next three years is tough because the industry isn't growing. Furthermore, the immigration laws make it very difficult for local agencies to hire foreigners and for multinationals to use expatriates.

Account directors earn an average of $50,000; copywriters, $55,000; and creative directors, $125,000 to $180,000, said Helen Hill, ceo of Helen Hill & Partners, a Sydney personnel agency.

Salaries for managing directors can range from $125,000 in small agencies to $200,000-plus in larger agencies.

One drawback to working Down Under is the 2-year-old Fringe Benefits Tax, which covers all benefits including cars. Expatriates working for multinationals usually get trips home, and school and housing benefits.

JOB WATCH

• **Brazil.** While knowledge of Portuguese is not required, good work is.

Art direction is the most open because of a lack of qualified locals.

Creative and managing directors average $156,000 a year; perquisites include a car and driver and one international trip a year. Account directors and copywriters average $39,000 a year. A general manager sometimes gets extra pay or shares in the company.

• **Canada.** The job market here has been rough on top-of-the-line executives with major agencies since 1982 when about 20% of the staff, most of them executives, at many large Toronto shops was cut due to the economy.

"The market has closed up," said Keith McKerracher, president of the Institute of Canadian Advertising.

Fred Litman, VP at Management One, a Toronto-based head-hunting shop specializing in the advertising and marketing business, said this is good news for free-lance creatives. Free-lancing may be one of the few ways that foreigners can work on Canadian advertising.

In Quebec, French is a prerequisite—even for English accounts—because a great deal of business is conducted in French.

Salaries average about $60,000 to $80,000 for copywriters and $52,000 to $64,000 for account directors; creative directors earn $120,000 to $160,000.

• **France.** The job market is in a growth-oriented mode. Small shops continue to sprout and prosper, providing jobs for professionals at all levels. Agencies like Boulet Dru Dupuy Petit and Feldman Calleux & Associes, both Paris, are expanding abroad, creating the need for personnel here in management and support roles.

Agencies in general are expected to keep growing as TV advertising develops with commercial channels in France. Direct marketing and sponsorships also are on the rise.

It's possible for foreigners to work in France, but excellent spoken and written French is almost always a must. Salaries average $51,000 for copywriters and $240,000 for creative directors.

• **Hong Kong.** Unlike many other countries, including the U.S., Hong Kong is begging for good people.

The local Association of Accredited Advertising Agencies is trying to lure back expatriates.

"The shortage is not only costing us more, but it's lowering standards," said Tom Hartje, managing director, DDB Needham International. "We have to give people titles they really don't deserve."

The labor shortage is due in part to Hong Kong's "brain drain" as residents frightened of China's 1997 takeover flee to Australia, Canada and the U.S.

An estimated 98% of advertising in Hong Kong is in Cantonese, so language skills are a necessity.

Account directors earn at the very least between $25,000 and $60,000. Creative directors and managing directors earn between $64,000 and $128,000 a year. Managing directors usually also get housing, a car and driver and paid trips home.

Foreign job opportunities and payscales

Country	Best opportunities	Average salaries	Comments
Australia	difficult in all areas	account director: $50,000 copywriter: $55,000 creative director: $125-180,000 managing director: $125-200,000 +	all benefits taxed tough immigration laws no growth in industry
Brazil	art directors	account director: $39,000 copywriter: $39,000 art director: $52,000 creative director: $156,000 managing director: $156,000	high inflation rate Portuguese not required
Canada	free-lance creatives, copywriters	account director: $52-64,000 copywriter: $60-80,000 creative director: $120-160,000	agencies cutting back tough immigration laws new tax laws French needed in Quebec
France	some in all areas	creative director: $240,000 copywriter: $51,000	growth in small shops fluency in French
Hong Kong	copywriters (Chinese language) experienced execs	account director: $25-60,000 creative director: $64-128,000 managing director: up to $128,000/car	labor shortage knowledge of Cantonese
Japan	copywriters	basic exec salary: $36,000 summer bonus: $8,000 yearend bonus: $8,100	high cost of living fluent Japanese
Mexico	not many jobs	account director: $48,000 senior copywriter: $24,000 senior art director: $24,000 creative director: $48,000 managing director: $120,000	market closing up agency cuts high inflation rate work permit needed fluent Spanish
Spain	art directors	creative director: $90-225,000 managing director: $90-180,000 account director: $62-107,000 art director: $53-99,000 copywriter: $53-99,000	fluent Spanish
South Africa	shortage of agency people	account director: $40-60,000 copywriter: $22,500-60,000 senior copywriter: $40-100,000 art director: $25-40,000 creative director: $47,500 managing director: $110,000	recession fringe benefits 50% tax rate political unrest
South Korea	limited opportunities for Americans	managing director: $19-32,000 creative director: $15,000 account director: $15,000 copywriter: less than $10,000	good bonuses and perks economic growth knowledge of Korean
United Kingdom	limited opportunities for Americans	copywriter: $36-54,000 account director: $32-70,000 creative director: $42-72,000	20-40 age group desired perks tight industry
West Germany	limited need of foreigners	account director: $120-210,000 copywriter: $48-84,000 creative director: $210,000 and up	work permit needed high unemployment six weeks paid vacation

Source: Advertising Age

• **Japan.** There are few jobs for foreign ad executives outside the international agencies, and those openings are few.

Most of the opportunities that do exist in Japanese agencies are for English-language copywriters to work on international campaigns.

Housing is a standard benefit for any foreign employee. A small Western-style apartment in central Tokyo for a family of four now costs about $8,000 a month; a smaller bachelor apartment costs about half that. Japanese-style housing is cheaper but still very costly.

Foreigners not fluent in Japanese, both spoken and written, can make only limited contributions, and increasingly those jobs are filled by foreigners with language skills.

The basic salary for executives with about 10 years experience is $36,000 a year. Each step up in management is accompanied by a salary increase of about $2,400 per year.

Similar increments are paid for dependent children. Also there are summer bonuses of $8,000 and yearend bonuses of $8,100. Workers are guaranteed lifetime employment.

Some possible drawbacks are that promotions are by age rather than merit and there are very few holidays.

• **Mexico.** It's not easy for foreigners to find jobs here because of government work permit requirements, and Spanish is necessary.

Mexico's high inflation has put a damper on the job market in general, and agencies are reducing staff.

Upper-level employees can expect some fringe benefits, such as an automobile and yearend bonus.

Managing directors often get a chauffeur, rental assistance and country club membership as well.

• **Spain.** Salaries in Spain often vary by as much as 200% for the same positions.

Creative directors' annual income varies from $90,000 to $225,000. Managing directors can expect gross salaries of $90,000 to $180,000; account directors, between $62,000 and $107,000; and art directors and copywriters, between $53,000 and $99,000.

Spain's ad industry is somewhat open to foreigners in the art and graphic design areas. Account director posts are easy to find if perfect Spanish is spoken.

• **South Africa.** These are lean years for advertising, but ad spending is picking up now for the first time in four years.

"There is a shortage of people after the long hard years when many left the industry or emigrated," said Peter de Klerk, executive director at the Association of

(Continued on Page 56)

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*Represented nationally by Sawyer-Ferguson-Walker Co. *Sales and Marketing Management Survey of Buying Power, 1987. **FAS-FAX Circulation Averages for Six Months ending 9/30/86 and 9/30/87, subject to audit, ABC.*

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Xerox redirects its fax efforts

By JUDITH GRAHAM

Xerox Corp. has repositioned its facsimile machine business and introduced a new line of machines in an aggressive move to capture a larger share of this exploding market.

The new positioning stresses the reliability of Xerox's machines and backs the claim with a $5 customer guarantee.

Any customer whose fax transmissions fail to arrive at their ultimate destinations will get $5, up to a limit of 20 transmissions per machine during the first year of service.

Print advertising supporting the guarantee breaks early this month in business and trade publications, said Madigan Pratt, senior VP-management supervisor at Lowe Marschalk, New York, the agency for Xerox's fax products.

This year, all fax sales are projected to soar to 700,000 units, more than triple the 200,000 units in 1986. Ad spending is also booming, reaching $20 million industrywide in 1987 and expected to rise substantially this year.

Meanwhile, Xerox has introduced a new line of thermal paper fax machines designed to appeal to the booming small-business market. The machines, which cost about $2,000, have become the market standard during the past several years.

Xerox previously produced only cut-sheet, plain-paper machines, which cost about $3,500 and can be used with any type of paper. But the company misjudged its market, placing too much emphasis on the quality and convenience of its machines and too little emphasis on price.

Once a leader in the fax industry, Xerox has steadily lost market share since the late 1970s, when competitors started introducing lower-price products.

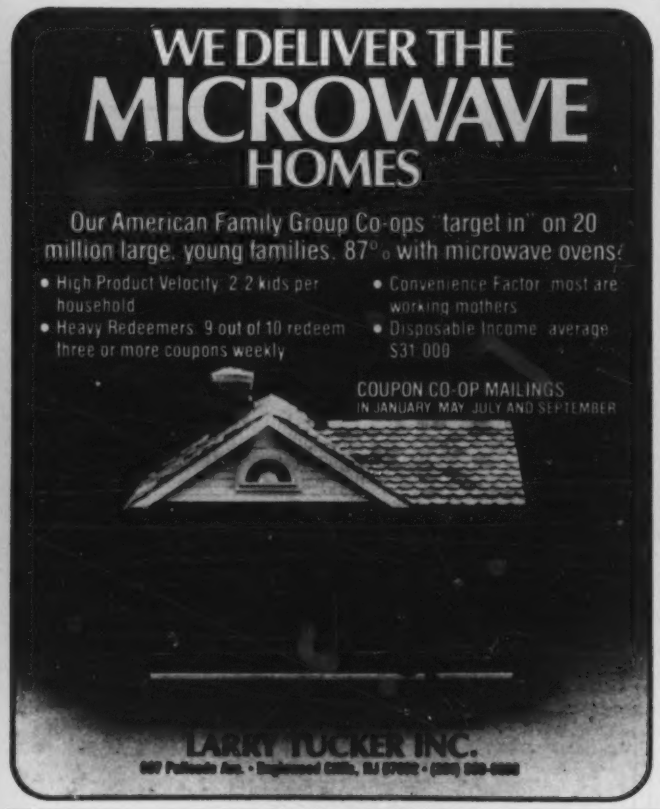
Today, Sharp Electronics Corp. and its foreign competitors, Canon and Ricoh Corp., are the leaders in the fragmented industry, but no single company dominates the field.

The first ad in Xerox's current campaign, launched May 17, carried the headline "Did you send the Fax? Yes. Did they get it?" Instead of an answer, a 4-inch blank leaves the question open. Copy at the bottom of the ad assures customers their Xerox faxes will be received.

"Market research showed that the one thing customers really care about is whether their documents actually get there or not," Mr. Pratt said.

Direct-mail support is planned this fall.

Xerox's previous fax advertising stressed the advantages of its cut-sheet, plain-paper machines—particularly their ability to use any type of paper and make high-quality reproductions. But the company decided to change its approach when research revealed that customers were basically satisfied with less flexible machines that made poorer-quality copies.#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IN JANUARY, MAY, JULY AND SEPTEMBER
LARRY TUCKER INC.

Jobs around the world

(Continued from Page 54)

Ad Agencies.

As for foreigners taking these positions, "there has been very little so far," said Alison Knight, of the Connection, a leading ad agency employment service.

Though Ms. Knight said she gets many inquiries from foreigners, there's been no rush because of the country's political status.

An experienced account director commands a salary package worth $40,000 to $60,000. A copywriter earns, on the average, $22,500, but an experienced one can get as much as $60,000.

Tax rates here are high—50%—so tax-exempt or partially exempt remuneration is important.

• **South Korea.** Salaries aren't high here, but when it comes to perks, South Korean agencies can really pour it on. And the job market is booming due to a fast rise in ad spending.

A managing director can expect just $19,000 to $32,000—and a chauffeur-driven car. A generous entertainment allowance—averaging $15,000—is almost standard because custom demands lavish dinner parties to win and hold onto clients.

All agency employees can expect bonuses of 40% to 60% of their annual salaries.

Top creative and account directors with the top agencies are paid about $15,000. At second-tier agencies, the pay for copywriters, account directors and creatives with five or more years experience starts at just under $10,000.

JOB WATCH

As for foreigners landing a job with a Korean agency, "it's not so easy but it's possible," said one account director with Daehong Advertising, a Saatchi & Saatchi affiliate in Seoul.

Skill in the local language helps but is not mandatory.

• **U.K.** An American in London looking for a job in advertising would be very unlikely to get permission to work.

Americans are usually transferred to London to fill specific jobs such as international account handling.

Like Spain, salaries vary enormously. Differences in pay can extend to 100% or more for people with similar experience and responsibilities.

According to recruitment agencies and management consultancies, the average salary for a copywriter in London is between $36,000 and $54,000. A creative director at a small or midsize shop would get $42,000 to $72,000, while the same position in a top agency could easily top $180,000.

Last year a survey by Taylor Bennett, a London-based recruitment agency, found account directors with four years experience earned $32,000, which rose to $70,000 after nine years experience. Perks include a company car, private health insurance, pension plan and expenses for home entertainment, fuel and parking fees.

Prospects for job seekers are good for the next three years as the ad industry is expected to continue its high growth rate into the 1990s.

• **West Germany.** Growth in the ad industry, combined with a lack of qualified personnel, have opened the market in West Germany.

Last year, the number of open positions industrywide increased 12%. A recent survey indicates copywriters and trainees account for the majority of open positions. Demand has slackened for directors, producers and media experts.

Germany has a limited need for foreign talent. "It's restrictive," said Ute Hirschbiegel, head of Service Advertising Agency and one of the country's leading ad consultants. A work permit for citizens from within the European Economic Commission countries is easier to obtain than for outside.

Low salaries aren't a reason for the lack of qualified personnel. An account director earns between $120,000 and $210,000. A copywriter can earn between $48,000 and $84,000. Top positions like creative director start at $210,000. Benefits include a car, an apartment, health insurance and six weeks paid vacation.#

Lena Vanier in New York wrote this story, with contributions from Steven Downer, Maggie Fox, Oles Gadacz, Des Kilalea, David Kilburn, Don Kirk, Geoffrey Lee Martin, Julia Michaels, Sean Milmo, Marina Specht, Tony Thompson, Laurel Wentz and Claire Wilson.

Stefan F. Blaschke
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From his colleagues at Siegel & Gale.

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(Source: S&MM, 1987 Survey of Buying Power)

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METROGROUP

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Ciba sets consumer effort

ATLANTA—Ciba Vision Corp. is breaking its first consumer campaign of page magazine ads and TV spots.

The campaign, themed "Healthy eyes mean successful contact lens wear," promotes proper contact-lens care using Ciba's AOSEPT disinfectant.

McCaffrey & McCall, New York, handles consumer advertising.#

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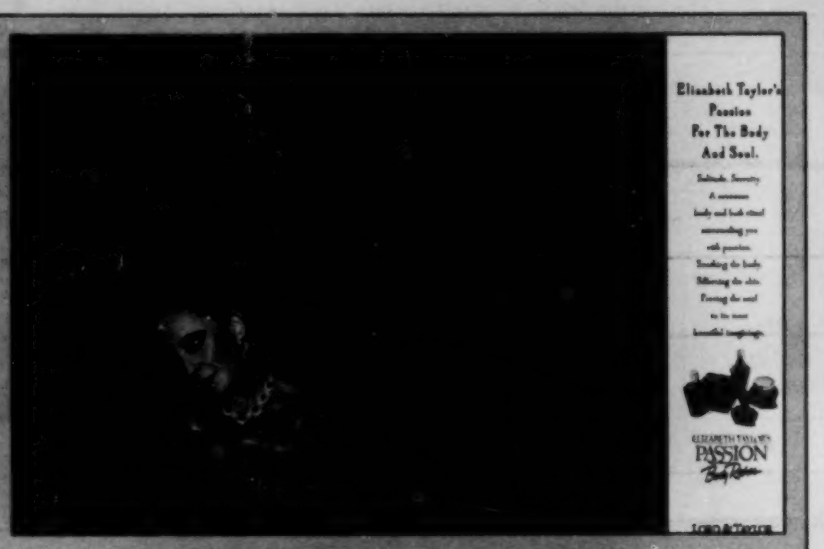

Bauble bath

Elizabeth Taylor luxuriates in a Roman-style marble bath in a $10 million campaign for Passion Body Riches, a line extension of Passion perfume. The set took more than 40 people nearly two weeks to build. The jewels are worth $6 million. The ad, created for Parfums International by Ogilvy & Mather, New York, breaks in August.

Cable steals upfront show from TV nets

By WAYNE WALLEY

Cable TV ad sales for the fall season are taking off in the face of a probable soft upfront market for the Big 3 broadcast networks.

Advertisers already are setting aside specific budgets for cable programs and buying time farther in advance because of increased demand, creating a de facto cable upfront selling season for the first time.

Total cable ad revenues are expected to reach $1.45 billion in 1988, a 24% increase over last year, with cable network billings exceeding $1 billion for the first time, said Paul Kagan Associates.

While cable is headed for a banner year, the Big 3 face a 15% drop from last year's record $3.1 billion in advance ad sales for the season beginning this fall (AA, June 6).

"This means advertisers might finally be sold on cable's value as a medium," said Doug McCormick, VP-advertising sales, Lifetime Cabletelevision Network.

"Advertisers used to look to cable as an alternative only if broadcast inventory was tight or too expensive. Now more advertisers are familiar with cable and we don't have to rely on a strong broadcast market," he said.

Unlike broadcast, MTV Networks projects a 30% increase in fourth-quarter ad sales for MTV: Music Television, Nickelodeon/Nick at Nite and VH-1: Video Hits One.

Sales for SuperStation TBS are expected

(Continued on Page 70)

Besieged giant eyes two-level review

IBM moves quickly

By GARY LEVIN
and JON LAFAYETTE

IBM Corp. has approached at least eight ad agencies for what will probably be a two-tier split of its $138 million account.

Big Blue apparently plans to put its corporate, personal computer and business-to-business advertising at a major top-level agency, and specific product assignments at one or more midsize shops.

Sources indicate IBM has said all the agencies in the review must bill a minimum of $200 million to compete.

The marketer has contacted D'Arcy Masius Benton & Bowles, DDB Needham Worldwide, Lintas:Worldwide and Wells, Rich, Greene, all New York. One of these agencies is expected to be named to handle the bulk of IBM's business, mostly those assignments now at Lord, Geller, Federico, Einstein.

IBM also has begun to sound out midsize agencies with creative reputations, apparently to handle specific product assignments.

Two or three of these agencies are expected to be assigned projects with billings of about $20 million to $30 million.

Among the shops approached about these assignments are Jordan, McGrath, Case & Taylor; Levine, Huntley, Schmidt & Beaver; Lois Pitts Gershon Pon/GGK; and TBWA. TBWA, which works on Bull computers in eight European countries, may not participate in the review.

IBM told several shops, including Ammirati & Puris and Geer, DuBois, that they were "too small" for an assignment.

But Saatchi & Saatchi DFS, widely expected to contend for the IBM business, appears to have been left out of the review.

Agency officials were surprised and at a loss to explain it. They'd expected to be included because the agency handles some IBM collateral work in the U.S. for the company's Information Systems Group. Saatchi also has made development of a closer relationship with the Big Blue a corporate priority.

It was Saatchi's second recent negative signal from IBM. Lois

(Continued on Page 71)

Photo by Glenn Hartong

As Aaa's Laurie Freeman samples olestra-fried potato chips.

News-hungry media chew the (fake) fat with P&G on olestra

Last week seven reporters, including Advertising Age's *Laurie Freeman, were the first media outsiders invited inside Procter & Gamble Co.'s top-secret Olestra Test Kitchen. They were given the opportunity to taste, feel and smell olestra, P&G's no-cholesterol, no-calorie fat substitute now awaiting Food & Drug Administration approval for use in a variety of food products. The story below relates Ms. Freeman's experience.*

By LAURIE FREEMAN

CINCINNATI—There's no question that if the FDA approves olestra, we're all going to be eating a lot of this stuff.

It's a positively giddy feeling knowing you're eating french fries, fried chicken and potato chips—all the things that evoke guilt—

(Continued on Page 70)

Inside:

How much is that Lord case costing? P. 2
Nancy Reagan steals the show. P. 38
L.A. agencies battle for billings. P. S-1
Media experts rate new fall shows. P. 68

Last Minute News

U.K. agencies ready to merge

LONDON—U.K. agency groups Boase Massimi Pollitt and Davidson Pearce plan to merge as BMP Davidson Pearce, with combined billings of $330 million. The new group would rank No. 8 in the U.K. There are expected to be several client conflicts. Major clients of BMP, which also owns Ammirati & Puris, New York, include Coca-Cola Co., Nabisco Brands and Quaker Oats. Davidson Pearce handles Fiat, Marks & Spencer and Unilever.

Saatchi adds Molson Light

NORTH HILLS, N.Y.—Martlet Importing named Saatchi & Saatchi DFS Compton, New York, to succeed HBM/Creamer, Boston, on its Molson Light beer account after HBM/Creamer merged with Della Femina, Travisano &

(Continued on Page 8)

WCRS boosts name in U.S.

By JON LAFAYETTE

New York—The merger of Delia Femina, Travisano & Partners and HBM/Creamer is just the beginning of WCRS Group's designs on the U.S. market.

"Don't think our ambitions have stopped," Tim Breene, deputy group chief executive of London-based WCRS, said as the creation of the nation's 18th-largest agency was disclosed last week. "We continue to talk about other things."

Delia Femina, McNamee WCRS, as the agency will be called, will bill $600 million.

Mr. Breene, who's also chief executive of WCRS' North American operations, maintained that speculation regarding negotiations for WCRS to buy Chicago-based Tatham-Laird & Kudner was "no more or less true than it ever has been."

But Jerry Delia Femina, chairman-ceo of Delia Femina, McNamee, said strengthening the U.S. agency's Chicago presence is "the next move they [WCRS] should be making."

Louise McNamee, president-chief operating officer of Delia Femina, will hold the same title at the combined agency. She will be responsible for the former HBM/Creamer offices in Boston and Pittsburgh and the Delia Femina office in Los Angeles.

Edward Eskandarian, who'd been chairman-ceo of HBM in Boston, will be a vice chairman of the new agency, as will William Sprague, who'd been chairman-ceo of HBM in Pittsburgh. They stay in their current cities.

Robert A. Becker Co., a medical specialist bought by WCRS in 1987, will be a part of the new agency, while the Creamer Dickson Basford public relations unit will stay separate, reporting to WCRS' Mr. Breene.

Mr. Delia Femina said he expects the agency's top 20 ranking to help it compete for new business. He said 70% of the accounts worth $20 million or more are won by agencies in the top 20.

Because of the merger, the agency resigned two HBM/Creamer clients: the $4 million-to-$5 million Molson Light account, a conflict with the Beck's beer account handled by Delia Femina, and the $2 million-to-$2.5 million New England Subaru Dealers account, which conflicts with Delia Femina's American Isuzu Motors account.

Despite the merger, Mr. McNamee said the offices will continue to operate autonomously of each other for the most part.

Mr. Eskandarian said he was pleased with [illegible]

WCRS, which bought Delia Femina and HBM/Creamer in 1986, had resisted consolidating the two, preferring a looser confederation of agencies in the worldwide network like other companies have created. It had also resisted changing the agencies' names.

But adding the WCRS name is expected to boost its profile with multinational advertisers. Mr. Breene said the WCRS "brand" has a 40%-to-45% recall rate among marketers in the U.S.

WCRS agencies in other countries—WCRS Mathews Marcantonio in London, Reiter-WCRS in Europe and the Bell Partnership in Asia—are ranked among the top 15 in their markets.#

Highlights

NEWS

4 'Willow' in the pink
"Willow" appears to be overcoming negative reviews and intense competition, and may yet reward marketers who have gambled a total of $50 million in product tie-ins.

10 Soup's on for Carter
William Carter Co. is looking to Campbell Soup Co. for help in its first step in supermarket distribution.

12 Koreans look to U.S.
Korean companies Samsung and Goldstar are boosting their U.S. advertising by 50% or more this year.

30 Seniors offered banking at home
The American Association of Retired Persons is examining whether seniors want to bank at home via phone or mail.

34 Coffee drinkers chilling out
Coffee still seems to be losing its kick, and the outlook for the future is not much better.

57 'Spin' on a whirl
Six months after setting out on his own, Bob Guccione Jr. is starting to turn *Spin* around.

64 Bank ads dropping off
Bank advertising is languishing as the industry grapples with a scarcity of new products.

65 N.Y. Lottery picks its winner
DDB Needham Worldwide's win of the New York State Lottery account caps a nine-month review and provides a boost for the agency.

66 Quaker gets Grand Effie
Quaker Oats Co. and Jordan, McGrath, Case & Taylor have a new award for their coffers.

INTERNATIONAL

36 A cooler summer in Italy
Italians are expected to be flooded with a host of wine coolers this summer when a new law allowing the beverages to be sold in that country takes effect.

AD REVIEW: Kool-Aid goes baby-boom. P. 72.

SPECIAL REPORT: California starts after P. 44.

Departments

Accounts Up for Grabs	65
Brady	48
Brady's Bunch	66
Calendar	72
Classifieds	61
Computer Beat	58
Contract Sports	26
Direct Marketing	30
Editorials	16
For the Record	67
Forum	20
Garfield	50
Global Gallery	40
Letters	22
Maxwell's Market Shares	34
MediaWorks	51
People	60
PeopleWorks	60
Photo Review	52
Slices	50
The Next Trend	48
Words	50

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Contacts count

How JWT won Bell account

By JANET MEYERS and GARY LEVIN

Bell Atlantic Corp.'s consolidation of more than $50 million in ad work at J. Walter Thompson USA is an example of the critical role personal loyalties play in gaining new business.

Those loyalties, built up by JWT over the years with Bell Atlantic's key executives, played a major role in the agency's coup, which gives it a much-needed boost.

J. Walter Thompson Co. has been struggling to regain momentum following its takeover by WPP Group last year.

Since then, JWT has lost the $200 million Burger King Corp. account and Sears, Roebuck and Co.'s $40 million Discover card account, among others.

JWT officials are most certainly cheering the seeming ease with which they won Bell Atlantic.

Christopher Clouser, the company's VP-corporate relations and advertising since April, was formerly senior VP-corporate relations at US Sprint, a major client of JWT's San Francisco office.

Ed Carter, the Bell Atlantic consultant who ultimately steered the company toward JWT, was previously senior VP-sales and marketing at Sprint.

Chuck Jones, of Chicago's Jones-Lundin Associates, a consultancy, had circulated questionnaires to several agencies. But he later called to tell them the review had been called off.

In reality, sources said, Mr. Jones himself was called off the consulting assignment in favor of Mr. Carter, who quickly struck a deal with JWT Chairman-CEO Burt Manning.

But JWT has two other telecommunications accounts that could pose conflicts with the new assignment.

JWT's San Francisco office still handles Sprint, which has dramatically cut its ad spending from $80 million in 1986 to an estimated $50 million last year.

The other conflict is with Ameri-

(Continued on Page 71)

Attorneys win big in breakaway fight

By JON LAFAYETTE

New York—Legal fees in WPP Group's lawsuit against six breakaway executives are well into the seven figures, sources estimate.

As WPP Chief Executive Martin Sorrell's lawsuit moves into its 13th week, experts guess that court costs for both sides combined already exceed $1.5 million. WPP charges that the executives who started Lord Einstein O'Neill & Partners tried to sabotage their old agency, WPP's Lord, Geller, Federico, Einstein.

Lord Einstein's law firm, Skadden, Arps, Slate, Meagher & Flom, a giant corporate and takeover specialist, is charging $9,000 to $12,000 per day in court, or about $50,000 a week, said Steven Brill, publisher and editor in chief of *The American Lawyer*. For the past 12 weeks, Skadden's courtroom bill alone would amount to at least $600,000.

Lewis Eichenholtz, Lord Einstein's senior VP-chief financial officer, said the agency hasn't received a bill yet from its law firm.

Expenses for transcripts, messengers, secretarial overtime, documents, meals, phone calls and cab rides could add another 20% to a law firm's tab.

Young & Rubicam's counsel, Shearman & Sterling, is costing $6,000 to $7,000 a day, for a total of about $400,000 so far, Mr. Brill said.

The counsel is charging less than Skadden because Y&R "is not as involved. My impression is they have fewer people working on the case," Mr. Brill said.

WPP's counsel, Davis & Gilbert, a smaller firm with a specialty in ad agencies, is charging $6,000 to $7,000 a day, Mr. Brill estimated.#

See related stories on Page 71.

Videogame blitz

Industry says sales may double

By IRA TEINOWITZ

Atari and Sega have drafted sports stars for their annual fall tussle with videogame market leader Nintendo.

St. Louis Cardinal Ozzie Smith, Washington Redskins quarterback Doug Williams and National Basketball Association slam-dunk champion Spud Webb will become spokesmen for Atari when it kicks off a full-scale return to TV advertising in August.

Sega of America, now being marketed by Tonka Corp., will use retired Chicago Bears superstar Walter Payton and retired baseball great Reggie Jackson in store displays for its products. Sega's TV effort will pitch new versions of several popular non-sports games.

Industry officials forecast the most competitive year since 1985 for videogames, with retail sales of games and hardware possibly doubling.

But a computer chip shortage could prevent sufficient game supplies from reaching customers.

"There is a real shortage," said Peter Main, VP-marketing for Nintendo of America. "But we think it is livable."

Nintendo, last year's hot seller and now holding about 70% of the $1.1 billion videogame business, is dealing with the shortage by temporarily slashing its game library and game production.

Instead of producing half the software for its hardware, Nintendo will produce only one-third, letting suppliers that have the chips produce the rest.

Nintendo intends to remain a heavy advertiser despite the supply problems, with about $13.5 million, or 68% of its $20 million budget, destined for three products.

The company is skipping the Big 3 TV networks for much of its push, concentrating on local buys and syndicated programs.

Nintendo will put $10 million toward advanced versions of its two most popular games. In October, it breaks spots for "Super Mario Bros. 2" and, in November, for "Zelda II—The Adventure of Link."

> *"There is a real shortage [of computer chips]. But we think it is livable."*
>
> **—Peter Main**
> **Nintendo of America**

It also will spend $3.5 million on a campaign for a $149.95 "power set," including a floor pad that allows younger children to play games without using a joy stick.

The company recently agreed to use McCann-Erickson, New York, as its agency after McCann purchased and absorbed Nintendo's shop, Geers Gross Advertising.

This year, Tonka is paying much closer attention to the videogame market and expects ties to Sega will mean fewer chip supply problems. But it's readying alternative advertising if supplies of advertised games prove inadequate.

Tonka is rolling out 22 new games, including a new category of adventure games that rely on role-playing rather than manual dexterity.

But the main focus of its $12 million campaign will be on arcade favorites "Double Dragon," "Shinobi" and "Thunderblade."

Tonka kicks off a new campaign in early September that positions Sega as *the* videogame. Jordan, McGrath, Case & Taylor handles.

Atari suffered major supply problems last year and spent only $4.4 million on advertising, canceling plans for some fall advertising.

But Atari has secured enough chips to double its production this year and hopes to avoid similar supply problems.

It will introduce 40 new games, spending $7.5 million on a blitz that starts in August. Atari will spend $10 million overall. DDB Needham Retail, San Francisco, handles.

Ozzie Smith will promote baseball, Doug Williams football and Spud Webb basketball.

Industry market shares are in dispute. Nintendo estimates Atari's share at 16% and Sega's at 10%. Atari claims it has 20% of the hardware market, compared with 70% for Nintendo and 8% for Sega.#

Negative reviews won't close curtain on 'Willow' promos

By KATE FITZGERALD

Lucasfilm's "Willow" appears to be overcoming negative reviews and intense competition, and may yet reward marketers who've gambled a total of $50 million on product tie-ins.

"Willow" has reaped more than $26 million in box office revenues in its first three weeks, according to Baseline II, a monitoring service. Although the film last week slipped from first place to fifth in revenues, motion picture sources said it is certain to remain on screens throughout the summer.

That would be a huge relief to the dozens of major companies that have yet to start their promotions tied to "Willow." Some—such as Quaker Oats Co.'s $26 million program—kick in as late as July.

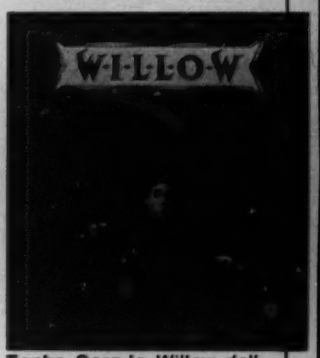
"Willow isn't going to be a blockbuster, but it's not a disaster either," said Martin Grove, columnist for *The Hollywood Reporter*. "It has held up surprisingly well, and it should enjoy a decent run over the summer."

Lee Rich, chairman-ceo of distributor MGM/UA Communications Co., said the film "has defied the critics by doing very well against a major league delicatessen of other movies—a consumer's paradise of offerings. And as kids get out of school this week, 'Willow' will do even better."

It had better, because "Willow's" success or failure as a tie-in project could have a major impact on licensing and promotional-marketing plans tied to several films due for release next year, including Warner Bros. "Batman."

Stan Herman, president of Minneapolis-based Herman Mancino, the promotional-marketing company handling "Batman," said the success of "Willow" may influence how larger retailers and package-food companies participate.

"We're already lining up participants, and preliminary interest has been very good," Mr. Herman said, though he couldn't give the names of companies that had expressed interest in "Batman."



Tonka Corp.'s Willow doll, available for $1.99 to $3.99, is part of a line of figures that ties into the movie.

So far, revenues for "Willow" merchandise are promising, sources say. After the first week of release, Waldenbooks listed Ballantine Books' movie tie-in edition of "Willow" at No. 8 on its mass paperback best-seller list. By the third week, the book was ranked No. 9.

Tonka Corp. reported strong early orders for the first phase of its "Willow" action line, which it began advertising May 30. Sales of other retail items tied to "Willow" also were reportedly strong.

Quaker, whose multibrand promotion gives it the largest stake, said it isn't concerned about "Willow's" longevity.

The first Quaker free standing insert broke June 12, but a five-week flight of TV spots for Cap'n Crunch cereal doesn't break until July.

"The first feedback is very favorable from both the supermarket trade and consumers. We're not changing any FSIs, promotions or our TV schedule," said Barb Biancalana, account supervisor at Bayer Bess Vanderwarker, Chicago, agency for the Cap'n Crunch tie-in.

U.S. Communications Corp., Minneapolis, the agency that lined up the marketers, said the success of the promotions was never threatened by the film itself.

"These promotions were designed to stand on their own, whether or not the film was a box office hit," said Corky Hall, vice chairman of U.S. Communications.#

Julie Liesse Erickson in Chicago and Wayne Walley in Los Angeles contributed to this story.

'Wizard' video to include ad

NEW YORK—"The Wizard of Oz" and "Gone With the Wind" will carry advertising when they're released for the second time for home video in 1989.

Ted Turner, chairman of Turner Broadcasting System, made his announcement at a press conference last week in which he unveiled TBS' new licensing and merchandising division. Turner Entertainment Co. owns the MGM and RKO film libraries that earlier released the two films without advertising.

The new licensing division's first task will be to focus on the 50th anniversaries of "Wizard" and "Gone With the Wind," Mr. Turner said.

The unit will license all TBS properties, including films. It also will license original characters created by Turner's cable networks and introduce a line of merchandise featuring the CNN logo.#

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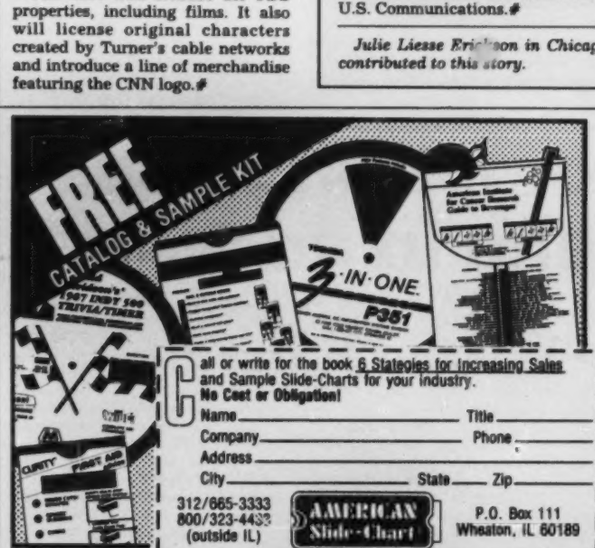

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CORRECTIONS & CLARIFICATIONS

• Because of new financial submissions from several advertising agencies, ADVERTISING AGE is updating its ranking of the top 25 U.S. agencies in direct-response billings (AA, May 16, P. S-14). In those adjustments: D'Arcy Masius Benton & Bowles, which the chart ranked 21st with $15.7 million in 1987 billings, should be 17th, with $37.3 million, up from $29 million in 1986; Bozell, Jacobs, Kenyon & Eckhardt, ranked 25th in direct-response billings, should be 24th with $15.2 million in 1987 capitalized billings; McCaffrey & McCall Direct Marketing, which didn't appear in the ranking, is 13th with 1987 direct-response billings of $51 million.#